

## CITY COMMISSION MINUTES

August 5, 2010

7:00 PM

The special meeting of the Junction City City Commission was held on Thursday, August 5, 2010 with Mayor Mike Rhodes presiding.

The following members of the Commission were present: Terry Heldstab, Scott Johnson, Mike Rhodes, Ken Talley, and Jack Taylor. Staff present was: City Manager Gerry Vernon and City Clerk Tyler Ficken.

### UNFINISHED BUSINESS

Consideration and approval of Ordinance **S-3084** to annex the property located at 2324 Spring Valley Road into the corporate limits of the City of Junction City, Kansas. **(Final Reading)** Commissioner Taylor moved, seconded by Commissioner Johnson to approved S-3084 on final reading. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

### PUBLIC HEARING

A public budget hearing for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax. Mayor Rhodes opened the public hearing. City Manager Vernon presented Exhibit A (attached) to the public at the meeting. Bob Stoddard asked for an explanation of the Bluffs RHID and why the City is making a payment. Finance Manager Beatty stated that the City will research into whether funds from the RHID are being captured correctly. Finance Manager Beatty stated that costs now are the result of fewer than expected tax revenues from the Bluffs Development. Commissioner Johnson stated that instead of property taxes from the Bluffs going toward City services, those funds are used to pay debt on improvements. Finance Manager Beatty stated that she will get a better understanding of the deal. Commissioner Taylor asked if the shortage is a result of 600 vs. 1400 units. Finance Director Beatty stated that it would make a large difference. Darrel Gerloff inquired about the number of positions left open. City Manager Vernon stated that there is an informal hiring freeze. A citizen asked about the funding for the airport, and why that information was not included in the presentation. City Manager Vernon stated that the Airport is included in the administrative budget. Finance director Beatty stated that the charge for the airport is for debt payments for land, and not operation costs. Debra Johnston stated that the people who rent at the airport only spend \$150.00 to rent. Finance Director Beatty stated that the City would look into the cost of the lease and adjust. Debra Johnston stated that it is a good ole boy system; she

asked who is on the Spirit of 76 committee. City Manager Vernon stated that the EDC board has the same membership as the Spirit board. Jonice Pitts asked who the funding for Juneteenth and the Arts is now going to. City Manager Vernon stated that those services have received zero funding, and department budgets have not increased. John Stewart stated that the Treasurer's Quarterly report showed that the City is negative in a number of funds. City Manager Vernon stated that those are cash flow issues; transfers are not taking place to show positive balances. John Stewart stated that the Golf Course is being subsidized and that there is a revenue problem. John Stewart stated that the City is in deep debt; he asked what a good debt ratio is. Finance Director Beatty stated that \$3,000.00 per citizen is a good ratio. City Manager Vernon stated that in the future, the Commissioners will receive monthly financial reports. Mark Sanders stated that he like what he sees. City Manager Vernon that he expects a strong letter from the auditors. Mark Sanders asked how Mr. Vernon knows that transfers will not damage the budget. City Manager Vernon stated that he has not transferred any funds as City Manager. Finance Director Beatty stated that it is typical for Cities to transfer funds from the Water Fund to the General Fund; though \$600,000.00 transfer in 2009 was too large; she stated that transfers should be based on a percentage of the fund. City Manager Vernon stated that City staff understands the changes that are taking place, and there has been no resistance to the change. Mark Sanders asked why it is important to cut the MAC budget. City Manager Vernon stated that the Commission was clear that the City needs to return to essential services; vacancies in management positions at the EDC & CCC have created the possibility of a consolidation effort. Mark Sanders suggested looking into City and County consolidation possibilities. City Manager Vernon stated that he was provided Riley County as an example. Mark Sanders stated that the City should consider sending letters to the people who do not pay their special property taxes. City Manager Vernon stated that the city needs to hold the feet of some developers to the fire; City Manager Vernon stated that the City, developers, and bankers need to work together on solutions. Mark Sanders asked what the cost of the NRP program is to the community. Finance Director Beatty that that the cost was over \$634,000.00. Mark Sanders asked why contractual services are needed for every department. Finance director Beatty stated that those charges include all services that cannot be conducted by city staff, and including utilities and supplies.

A citizen asked why City employees are not required to live inside the City limits. City Manager Vernon stated that many communities deal with this issue; the City currently requires employees to live within Geary County. Salina requires staff to live within the City limits. Commissioner Johnson

stated that pressure needs to be put on the School District to hire residents of Junction City.

### **ADJOURNMENT**

Commissioner Heldstab moved, seconded by Commissioner Talley to adjourn at 9:00 PM Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 17th DAY OF AUGUST 2010 AS THE OFFICIAL COPY OF THE JUNCTION CITY CITY COMMISSION MINUTES FOR AUGUST 5, 2010.



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Tyler Ficken, City Clerk



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Mike Rhodes, Mayor

## Exhibit A




### City of Junction City

2011 Budget

9/3/2010


### July versus August

Category	July	August
Mill Levy	56.66	48.46
Resources	\$11,119,945	\$12,353,098
Expenditures	\$15,082,349	\$15,613,857




### How?

- General Fund Revenues
  - 2010 Budget Savings (Unencumbered Cash Balance)
    - \$800,000.00
  - Various Fees & Fine Increases
    - \$85,000.00
  - Administrative Transfer from Water Fund
    - \$200,000.00
  - Storm Water construction projects
    - \$100,000.00
  - Slight Increase Sales Tax Revenues
    - \$50,000




### How?

- General Fund Expenditures
  - Administration
    - \$53,688.00 Increase
      - City Attorney as an employee




### How?

- General Fund Expenditures
  - Police
    - \$24,979.00 Increase
      - Fine tuning of wages/benefits
      - Leaving 3 positions vacant




### How?

- General Fund Expenditures
  - Recreation
    - \$590.00 increase
      - Limited leak repairs at pool
      - Cut spray park filter improvements
      - Cut Handicap lift




## How?

- General Fund Expenditures
  - Public Works
    - \$362,227.00 increase
      - \$180,000 increased road maintenance
      - July goal to cut to 2008 levels – though still a reduction from last year




## How?

- General Fund Expenditures
  - Other Services
    - \$104,000.00 decrease
      - Reduction Opera House operations
      - Reduction Military Affairs
      - Reduction in other costs




## How?

- General Fund Expenditures
  - Parks
    - \$91,599.00 decrease
      - 2 full time positions vacant
      - Limitations – delayed snow removal, and limited assistance to other departments and Sundown Salute
      - Community Christmas Tree Event




## How?

- General Fund Expenditures
  - Fire Department
    - \$186,094.00
      - Correction in salary numbers
      - Delay hiring two positions 6 months
      - Cutting various line items



## Vernon's Four Principles

- I. Financial Stability
- II. Technology
- III. Professional Development
- IV. Ethical Culture



## I. Financial Stability

- Budgeted Cash Reserve - \$585,000
- Analyzed Staffing Levels
- Analyzed Services
- Assigned Costs Appropriately
- Rate analysis all enterprise funds



## II. Technology

- Not a luxury – increased productivity!
  - Codes -2 laptops with wireless connectivity
  - Office 2010 software – 54 power users
  - \$8,000.00 savings with new Verizon contract



## III. Professional Development

- Minimal Travel/Training budgets re-established in 2011



## IV. Ethics

- Continued equal and fair application of City Ordinances
- Goal to review existing ethics policy in 2011